

FISCAL NOTE

HB 3137 - SB 3489

March 7, 2006

SUMMARY OF BILL: Enacts the "Health Savings Account Act". Authorizes the creation of health savings accounts (HSA) as part of a Health Savings Account Program to pay for qualified medical expenses or for long-term health insurance for eligible individuals or their dependents. Authorizes annual contributions to a HSA, either by an eligible individual or on the behalf of an eligible individual, up to 100% of the eligible individual's deductible on a high-deductible health plan (HDHP) or up to \$2,600 for an individual or up to \$5,150 per family. Authorizes the Commissioner of the Department of Commerce and Insurance to promulgate all rules and regulations to effectuate the purposes of this act.

ESTIMATED FISCAL IMPACT:

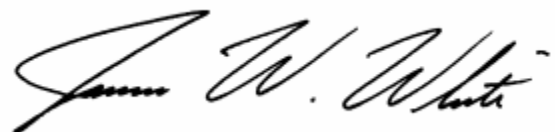
Increase State Expenditures – Not Significant

Assumptions:

- "HDHP" means a health plan with a deductible not less than \$1,000 and no more than \$5,100 for an individual, and not less than \$2,000 and no more than \$10,200 per family.
- "Eligible individual" means taxpayers who must be covered by a HDHP or those who may not be covered under any other health plan.
- According to the Department of Commerce and Insurance, the incremental administrative costs associated with this bill could be absorbed within the department's existing resources.
- According to the Division of Insurance within the Department of Finance and Administration, the State Group Insurance Plan does not offer high-deductible health plan options necessary for HSAs.
- The increase to state expenditures is estimated as not significant.
- This act shall take effect on July 1, 2006.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director